GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3434
ANSWERED ON:12.12.2014
SHYAMALA GOPINATH COMMITTEE FOR KVP
Trivedi Shri Dinesh

Will the Minister of FINANCE be pleased to state:

(a) whether the Shyamala Gopinath Committee constituted on Small Savings Schemes has submitted its report to the Government;

(b) if so, the details there of including the major recommendations made by the Committee and fcllow-up action taken by the government thereon;

(c) whether the Committee in their report recommended that Kisan Vikas Patra (KVP) should be discontinued; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: SHRI JAYANT SINHA:

(a): Yes Sir,

(b) Major recommendations of the committee were:- (i) to reduce/abolish agent`s commission except Manila Pradhan Kshetriya Bachat Yojana (MPKBY) agents to restrict management cost (ii) secondary market yields on Central Government Securities of comparable maturities should be the benchmarks for the interest on various smafl savings instruments and should be reset every ls1 April (iii) Committee recommended to reduce minimum share for States from 80% to 50% against net collection and recommended that amount received on redemption of Central/State Governments securities should be reinvested between Centre and States in the ratio of 50:50.

After detailed deliberation and in light of views received from State Governments, various Departments of Centra! Government and Agent`s Association, most of the recommendations of the Committee are being implemented.

(c)& (d): In view of developments observed by the Committee in 2011 on AML/CFT front the KVP was recommended to be discontinued by the Committee. KVP has been re-notified by the Government on 23-9-2014. Under the re-notified KVP the investor has to undergo the Know Your Customer (KYC) modalities at Post Office or Bank.